Losses to Air India due to mismanagement

1031. SHRI M.V. MYSURA REDDY:
SHRI NANDAMURI HARIKRISHNA:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Air India is losing Rs. 14 to 15 crores a day due to mismanagement of its affairs;

(b) whether it is also a fact that it is seeking Government's subvention to come out of the crisis;

(c) if so, the details thereof;

(d) whether Air India is asking Government to increase its equity from the existing Rs. 145 crores to Rs. 5,000 crores; and

(e) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Air India is running in losses largely due to operating losses, which have been compounded due to the present economic recession as also the high oil prices last year and debt servicing of new aircraft.

(b) to (e) National Aviation Company of India Limited (NACIL) had submitted a proposal for infusion of equity of Rs.1231 crores and provision of soft loan of Rs.2750 crores in 2008-09. However, NACIL has been advised to formulate a concrete proposal for induction of equity and provision of soft loan.

Enhancement of fares by domestic airlines

1032. SHRI RAJIV PRATAP RUDY: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the domestic airlines have enhanced their fares recently;

(b) if so, the details thereof, and percentage of enhancement;

(c) whether this is attributed to hike in aviation fuel price;

(d) if so, the details thereof;

(e) whether Government proposes any policy to subsidise the Aviation Turbine Fuel (ATF) and take steps to reduce the operational cost of airlines; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (d) Yes, Sir. Jet Airways, Jet Lite, Kingfisher Airlines, Spicejet, Go Air, Paramount Airways and IndiGo have increased the fuel surcharges by Rs.400/- across their network effective 16th June, 2009. Air India has also raised its fuel surcharge by Rs.400/- effective 19 June 2009. The increase in fare has been due to the increased price of Aviation Turbine Fuel (ATF).